



*United States Attorney
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**U.S. CHARGES FORMER DEA ASSOCIATE SPECIAL
AGENT IN CHARGE WITH EMBEZZLEMENT AND MISUSE
OF DEA PERSONNEL AND RESOURCES**

JAMES B. COMEY, the United States Attorney for the Southern District of New York, GLENN A. FINE, the Inspector General for the U.S. Department of Justice, Office of Inspector General ("OIG"), and KAREN P. TANDY, the Administrator of the Drug Enforcement Administration ("DEA"), announced today that KEVIN M. TAMEZ, a/k/a "Kenneth P. Thomas, a/k/a "James Fox," a/k/a "Jim Fox," a/k/a "John Bettinger," a/k/a "John DiGravio," the former Associate Special Agent in Charge of DEA's New York Division, has been charged in a 214-count Indictment with embezzling approximately \$138,488 from the DEA and with misusing DEA resources to conduct work for a private investigations firm called MPM Group, Inc. ("MPM") for which TAMEZ worked.

According to the Indictment, TAMEZ became the Assistant Special Agent ("Assistant SAC") in Charge of DEA's New York

Division in September 1999 and was promoted in January 2002 to the position of Associate Special Agent in Charge ("Associate SAC") of Operational Support of the New York Division. As Associate SAC, TAMEZ became responsible for, among other things, the financial management of the New York Division. TAMEZ held the position of Associate SAC until on or about February 24, 2003, when he was suspended without pay. He later resigned from the DEA on October 17, 2003.

A. Embezzlement And Submission Of False Claims

The Indictment charges that, from December 1999 through February 2003, TAMEZ embezzled money from the DEA in amounts ranging from \$111 to \$4,300 through the submission of false paperwork to the DEA cashier. According to the Indictment, a DEA Form 12, entitled "Receipt for Cash or Other Items," is ordinarily used by DEA employees to obtain cash from the DEA cashier for official expenses. A Standard Form 1164 ("Form 1164") is ordinarily used by Government employees, including DEA employees, to claim reimbursement for expenditures on official business. According to the Indictment, TAMEZ embezzled money through three methods. First, TAMEZ allegedly directed DEA Special Agents to submit DEA Form 12's to the DEA cashier and to give him the cash, explaining that the cash was needed for DEA-related expenditures. TAMEZ then directed the DEA Special Agents to sign corresponding Form 1164's as claims for reimbursement for

these expenditures on official business. Second, TAMEZ is accused of directing DEA Special Agents to submit DEA Form 12's to the cashier and to buy U.S. Postal Service money orders for him, explaining that the money orders were needed for DEA-related expenditures. TAMEZ then directed the DEA Special Agents to submit corresponding Form 1164's as claims for reimbursement for these expenditures on official business. Third, TAMEZ allegedly submitted DEA Form 12's himself to the cashier and withdrew the cash. TAMEZ then submitted corresponding Form 1164's as claims for reimbursement for expenditures on official business.

According to the Indictment, money orders bought by the Special Agents or by TAMEZ in this embezzlement scheme were made payable to TAMEZ and to members of TAMEZ's family, among others. In addition, money orders bought with embezzled money were used to pay a variety of TAMEZ's personal expenses, including his personal credit card bills, to lease a Chevy Suburban, to buy men's suits and to repair a hot tub at TAMEZ's residence.

B. Computer Fraud And Theft Of Honest Services

The Indictment also charges TAMEZ with illegally obtaining information from law enforcement computer systems and databases and with illegally using DEA personnel and resources to benefit himself, a person not named in the Indictment ("CC-1") and MPM, a private investigations firm that was ostensibly operated under CC-1's maiden name. TAMEZ did work for MPM under

the aliases "Kenneth P. Thomas," "James Fox," "Jim Fox," "John Bettinger," and "John DiGravio," among others, without obtaining the requisite approvals from DEA. MPM's clients included law firms, companies and private individuals.

Most of MPM's clients paid MPM to conduct background investigations on individuals, including but not limited to criminal history checks. These client payments were deposited into MPM's bank account, of which CC-1 was the sole signatory. CC-1, using her maiden name, thereafter wrote checks from MPM's bank account to herself under her married name and deposited many of those checks into bank accounts held jointly with TAMEZ. In addition, CC-1 caused monies to be wired from MPM's bank account to herself and/or to TAMEZ.

According to the Indictment, as a DEA Special Agent, TAMEZ was authorized to access a variety of law enforcement computer systems and databases, but only for official DEA purposes related to his official duties. The Indictment charges that, from January 2000 through November 2002, TAMEZ illegally queried such computer systems and databases for information relating to investigations that had been commissioned by MPM's clients. According to the Indictment, approximately \$16,271 was derived from TAMEZ's illegal computer access.

In addition, according to the Indictment, TAMEZ directed DEA Special Agents and other employees to conduct a

variety of ostensibly legitimate investigative work, which, instead, related to MPM. TAMEZ directed that DEA Special Agents in the New York Division conduct surveillances and "trash runs" - - an investigative technique commonly used by law enforcement agents to search the trash of targets to develop leads as to the target's activities or the target's associates -- explaining that the surveillances and "trash runs" were for law enforcement purposes. It is also alleged that TAMEZ requested that DEA Special Agents in DEA's Baltimore and Salt Lake City Offices conduct surveillances on MPM targets and that a DEA Special Agent in the Atlantic City Office research certain criminal history, explaining to officials at other DEA offices that the work was law enforcement-related. Finally, TAMEZ directed DEA employees to serve DEA administrative subpoenas -- which are supposed to be used only for narcotics-related investigations -- to get information from telephone companies and Internet providers relevant to MPM's investigations. According to the Indictment, approximately \$7,696 was derived by TAMEZ's theft of honest services by wire and by mail.

Finally, the Indictment charges TAMEZ with aiding and abetting the submission of a false Postal Service form that was used to open a mail box for MPM with a commercial mailbox

establishment. According to the Indictment, TAMEZ had a notary public at DEA notarize CC-1's signature on the postal form, which contained a false driver's license number, a false passport number and a false cell phone number and which identified the applicants under the aliases, "N.H. Olson" and "Nancy H. Olson" for CC-1 and "Kenneth P. Thomas" for TAMEZ.

TAMEZ, 50, lives in Mt. Laurel, New Jersey. TAMEZ surrendered this morning, and is scheduled to be arraigned later today in the United States District Court.

If convicted, TAMEZ faces a maximum penalty of 20 years in prison for mail fraud and for each of the wire fraud counts charging offenses after July 30, 2002; 10 years in prison for each of the counts charging embezzlement in amounts over \$1,000; five years in prison for each count charging computer fraud, submission of false claims and the wire fraud counts charging offenses before July 30, 2002, and aiding and abetting the filing of a false statement; and one year in prison for each of the counts charging embezzlement in amounts under \$1,000. TAMEZ also faces a fine of \$250,000 or twice the gross gain or loss on each felony count of the Indictment and a fine of \$100,000 or twice the gross gain or loss on each misdemeanor embezzlement count of the Indictment. The Indictment also seeks

the forfeiture of \$155,935.24, the proceeds of the scheme.

Mr. COMEY stated: "KEVIN TAMEZ's alleged conduct was egregious. By virtue of his rank and authority as a DEA Assistant and Associate SAC, TAMEZ abused virtually every resource available to him and exploited not only DEA resources around the country, but also law enforcement resources abroad. TAMEZ's alleged conduct, however, does not take away from the work of the thousands of DEA agents around the country who risk their own lives to keep our streets safe. It is important to note that none of Mr. TAMEZ's alleged actions will impact any pending or completed cases."

Ms. TANDY stated: "The Drug Enforcement Administration takes very seriously the charges made against former Special Agent Tamez relating to conduct he undertook while in our employ. The indicting grand jury has found probable cause to believe that Mr. Tamez engaged in substantial and egregious wrongdoing. Charges of this character are especially disturbing because they tarnish the integrity and courage demonstrated daily by thousands of DEA agents. While Mr. Tamez is entitled to his day in court and to all other rights enjoyed by defendants in the United States, we want to make it clear that the DEA regards the ethical performance of duty as its first priority, and will continue

vigorously to review the conduct of its all its employees to ensure that they warrant the trust the public has reposed in them."

Mr. FINE stated, "This case involves allegations of a serious breach of public trust by a former senior DEA manager. The Office of the Inspector General will vigorously pursue such allegations of misconduct against Department of Justice employees."

Mr. COMEY praised the investigative efforts of OIG and DEA Office of Professional Responsibility for their work on this case. Mr. COMEY also thanked the U.S. Postal Inspection Service for its assistance. Mr. COMEY stated that the investigation of TAMEZ is continuing.

Assistant United States Attorney SERENE K. NAKANO is in charge of the prosecution.

The charges contained in the Indictment are merely accusations, and the defendant is presumed innocent unless and until proven guilty.

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